ARABTEC HOLDING PJSC AND ITS SUBSIDIARIES
DUBAI - UNITED ARAB EMIRATES

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION AND INDEPENDENT AUDITOR'S REVIEW REPORT FOR THE PERIOD FROM JANUARY 1, 2009 TO JUNE 30, 2009

Arabtec Holding PJSC and its Subsidiaries
Dubai - United Arab Emirates

Interim Condensed Consolidated Financial Information and Independent Auditor's Review Report For the Period from January 1, 2009 to June 30, 2009

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Independent Auditor's Review Report

The Directors
Arabtec Holding PJSC
Dubai
United Arab Emirates

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of **Arabtec Holding PJSC** (the "Company") **and its Subsidiaries** (collectively the "Group") as at June 30, 2009 and the related interim condensed consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the six month period then ended. Management is responsible for the preparation and fair presentation of this interim condensed financial information in accordance with International Accounting Standard 34 – Interim Financial Reporting (IAS 34). Our responsibility is to issue a conclusion on this interim condensed consolidated financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34: Interim Financial Reporting.

Emphasis of matter

Without qualifying our opinion we draw attention to Note 6 to the interim condensed consolidated financial information which describes a contractual dispute subject to arbitration proceedings, the probable outcome of which cannot currently be reasonably determined as the proceedings are at an early stage.

Deloitte & Touche

Anis F. Sadek
(Registration No. 521)

Dubai
July 28, 2009

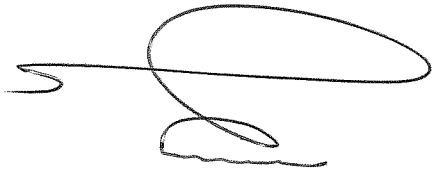
Arabtec Holding PJSC and its Subsidiaries
Dubai - United Arab Emirates
Interim Condensed Consolidated Statement of Financial Position
At June 30, 2009
(In Arab Emirates Dirhams)

	Note	June 30, 2009 (Un-audited)	December 31, 2008 (Audited)
Assets			
Current assets			
Cash and cash equivalents		**542,063,871**	757,437,305
Other financial assets		**121,510,497**	92,924,889
Trade and other receivables		**4,476,356,066**	4,982,897,819
Due from related parties	7 (b)	**503,904,060**	278,024,004
Inventories		**712,414,498**	1,016,549,811
Other current assets		**132,736,496**	158,036,324
Deferred tax		**413,628**	344,886
Total current assets		**6,489,399,116**	7,286,215,038
Non-current assets			
Other financial assets		**56,041,007**	52,954,378
Intangible assets	9	**218,512,737**	242,339,851
Goodwill		**252,265,152**	252,265,152
Retentions and trade receivables – non-current portion		**366,143,165**	236,991,655
Other non-current assets		**7,955,404**	7,570,885
Property, plant and equipment	10	**1,370,844,644**	1,381,322,629
Total non-current assets		**2,271,762,109**	2,173,444,550
Total Assets		**8,761,161,225**	9,459,659,588
LIABILITIES AND EQUITY			
Current liabilities			
Bank borrowings	11	**937,260,913**	1,101,858,778
Trade and other payables		**4,592,660,087**	5,732,160,578
Due to related parties	7 (c)	**318,567,059**	172,963,430
Income tax payable		**2,830,344**	2,949,150
Total current liabilities		**5,851,318,403**	7,009,931,936
Non-current liabilities			
Bank borrowings	11	**188,096,993**	153,608,016
Provision for employees' end of service indemnity		**125,047,329**	114,058,508
Retentions payable - non-current portion		**108,832,739**	64,118,861
Total non-current liabilities		**421,977,061**	331,785,385
Total Liabilities		**6,273,295,464**	7,341,717,321
Capital and reserves			
Issued share capital	15	**1,196,000,000**	1,196,000,000
Statutory reserve		**222,129,125**	187,616,086
Fair value adjustment reserve		**(7,734,025)**	(5,940,503)
Retained earnings		**826,162,123**	515,544,774
Equity attributable to equity holders of the Company		**2,236,557,223**	1,893,220,357
Non-controlling interests		**251,308,538**	224,721,910
Total Equity		**2,487,865,761**	2,117,942,267
Total Equity and Liabilities		**8,761,161,225**	9,459,659,588

The accompanying notes form an integral part of this interim condensed consolidated financial information.

The interim condensed consolidated financial information on pages 2 to 25 was approved by the Board of Directors and authorized for issue on July 28, 2009 and signed on their behalf by:

.....
Riad Kamal
Chief Executive Officer and Board Member



Interim Condensed Consolidated Statement of Income
For the Period from January 1, 2009 to June 30, 2009
(In Arab Emirates Dirhams)

	Half year ended June 30,		Quarter ended June 30,	
	2009	2008	**2009**	2008
	(Un-audited)	(Un-audited)	**(Un-audited)**	(Un-audited)
Revenue	**3,915,166,877**	4,161,735,503	**2,049,679,904**	2,281,878,453
Direct costs	**(3,271,231,610)**	(3,449,088,302)	**(1,692,535,421)**	(1,899,442,632)
Gross profit	**643,935,267**	712,647,201	**357,144,483**	382,435,821
Other operating income	**52,278,194**	76,426,417	**27,403,692**	57,372,977
Other income	**13,900,631**	20,919,236	**6,284,298**	12,757,675
General and administrative expenses	**(268,564,783)**	(238,575,011)	**(163,870,658)**	(134,824,943)
Changes in fair value of non-current retentions and trade receivables	**(8,480,663)**	(349,179)	**(6,401,169)**	(4,112,625)
Finance costs	**(36,262,901)**	(3,063,370)	**(17,886,665)**	(2,094,461)
Profit before tax	**396,805,745**	568,005,294	**202,673,981**	311,534,444
Income tax expense	**(3,416,910)**	(1,046,132)	**(1,428,574)**	(837,102)
Profit for the period	**393,388,835**	566,959,162	**201,245,407**	310,697,342
Attributable to:				
Equity holders of the parent	**345,130,388**	504,838,142	**183,904,948**	273,438,988
Non-controlling interests	**48,258,447**	62,121,020	**17,340,459**	37,258,354
	393,388,835	566,959,162	**201,245,407**	310,697,342
Basic earnings per share (AED) (based on profit for the period attributable to equity holders of the parent and 1,196 million shares in issue throughout the period)	**0.29**	0.42	**0.15**	0.23

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Comprehensive Income
For the Period from January 1, 2009 to June 30, 2009
(In Arab Emirates Dirhams)

	Half year ended June 30,		Quarter ended June 30,	
	2009	2008	**2009**	2008
	(Un-audited)	(Un-audited)	**(Un-audited)**	(Un-audited)
Profit for the period	**393,388,835**	566,959,162	**201,245,407**	310,697,342
Other comprehensive loss				
Available-for-sale financial assets	**(1,793,522)**	(1,540,065)	**2,766,811**	(987,753)
Total comprehensive income for the period	**391,595,313**	565,419,097	**204,012,218**	309,709,589
Total comprehensive income attributable to:				
Equity holders of the parent	**343,336,866**	503,298,077	**186,671,759**	272,451,235
Non-controlling interests	**48,258,447**	62,121,020	**17,340,459**	37,258,354
	391,595,313	565,419,097	**204,012,218**	309,709,589

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Arabtec Holding PJSC and its Subsidiaries
Dubai - United Arab Emirates

Interim Condensed Consolidated Statement of Changes in Shareholders' Equity
For the Period from January 1, 2009 to June 30, 2009
(In Arab Emirates Dirhams)

	Attributable to equity holders of the parent						
	Share capital	Statutory reserve	Fair value adjustment reserve	Retained earnings	Total	Non-controlling interests	Total equity
Balance at December 31, 2007 (Audited)	**598,000,000**	**91,811,549**	**9,714,178**	**550,303,942**	**1,249,829,669**	**138,267,518**	**1,388,097,187**
Dividends paid (Note 16)	-	-	-	(299,000,000)	(299,000,000)	-	(299,000,000)
Dividends paid to non-controlling shareholders	-	-	-	-	-	(16,842,809)	(16,842,809)
Profit for the period	-	-	-	504,838,142	504,838,142	62,121,020	566,959,162
Reversal of fair value of available-for-sale investments sold	-	-	(2,185,367)	-	(2,185,367)	-	(2,185,367)
Unrealised gain on available-for-sale investments recognized directly in equity	-	-	645,302	-	645,302	-	645,302
Total income recognized for the period	-	-	-	-	-	-	565,419,097
Non-controlling interests arising on the acquisition of a subsidiary	-	-	-	-	-	4,817,827	4,817,827
Transfer to statutory reserve	-	50,483,814	-	(50,483,814)	-	-	-
Balance at June 30, 2008 (Un-audited)	**598,000,000**	**142,295,363**	**8,174,113**	**705,658,270**	**1,454,127,746**	**188,363,556**	**1,642,491,302**
Balance at December 31, 2008 (Audited)	**1,196,000,000**	**187,616,086**	**(5,940,503)**	**515,544,774**	**1,893,220,357**	**224,721,910**	**2,117,942,267**
Dividends paid to non-controlling shareholders	-	-	-	-	-	(21,671,819)	(21,671,819)
Profit for the period	-	-	-	345,130,388	345,130,388	48,258,447	393,388,835
Unrealised loss on available-for-sale investments recognized directly in equity	-	-	(1,793,522)	-	(1,793,522)	-	(1,793,522)
Total income recognized for the period	-	-	-	-	-	-	391,595,313
Transfer to statutory reserve	-	34,513,039	-	(34,513,039)	-	-	-
Balance at June 30, 2009 (Un-audited)	**1,196,000,000**	**222,129,125**	**(7,734,025)**	**826,162,123**	**2,236,557,223**	**251,308,538**	**2,487,865,761**

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Arabtec Holding PJSC and its Subsidiaries
Dubai - United Arab Emirates

Interim Condensed Consolidated Statement of Cash Flows
For the Period from January 1, 2009 to June 30, 2009
(In Arab Emirates Dirhams)

	Half year ended June 30,	
	2009	2008
	(Un-audited)	(Un-audited)
Net cash from operating activities	**82,466,405**	331,375,554
Investing activities		
Purchase of property, plant and equipment	**(158,365,090)**	(406,106,188)
Proceeds from sale of property, plant and equipment	**17,186,110**	16,093,617
Proceeds from sale of investments in securities	**-**	5,234,052
Cash dividends received	**-**	271,002
Acquisition of investment in subsidiaries, net of cash acquired (Note 17)	**-**	(16,220,190)
Investment in associate	**(3,200,000)**	
Investments in securities	**-**	(16,571,000)
(Increase)/decrease in loans to a related party	**(1,680,152)**	1,891,804
Net cash used in investing activities	**(146,059,132)**	(415,406,903)
Financing activities		
Proceeds from issue of shares to non-controlling interests - capital	**-**	147,000
Dividends paid to non-controlling shareholders	**(21,671,819)**	(16,842,809)
(Repayments)/proceed from bank borrowings (net)	**(130,108,888)**	228,197,808
Dividends paid	**-**	(299,000,000)
Net cash used in financing activities	**(151,780,707)**	(87,498,001)
Net decrease in cash and cash equivalents	**(215,373,434)**	(171,529,350)
Cash and cash equivalents at the beginning of the period	**757,437,305**	904,063,094
Cash and cash equivalents at the end of the period	**542,063,871**	732,533,744

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Notes to the Interim Condensed Consolidated Financial Information For the Period from January 1, 2009 to June 30, 2009

1. Establishment and operations

Arabtec Holding PJSC (the "Company") is a Public Joint Stock Company established under the laws of the United Arab Emirates pursuant to a trade license issued by the Department of Economic Development, Dubai and the Ministry of Economy.

The principal object of the Company is to invest in the construction sector through the acquisition of construction contracting and related companies.

The Company's shares are listed on the Dubai Financial Market (DFM).

The registered office of the Company is P.O. Box 72122 Dubai, U.A.E.

The Company has the following subsidiaries over which it exercises effective control:

Name of subsidiary and domicile	Percentage of beneficial holding	Principal activities
Arabtec Construction LLC, Dubai, U.A.E.	100%	Civil construction and related works
Austrian Arabian Ready Mix Concrete Co. LLC, Dubai, U.A.E.	100%	Manufacture and transportation of ready mix concrete products
House of Equipment Co. LLC, Dubai, UAE	33.33%	Trading and leasing of construction equipment
Arabtec Construction LLC, Doha, Qatar	49%	Civil construction and related works
Arabtec Precast LLC, Dubai, UAE	100%	Manufacture of pre cast panels
Nasser Bin Khaled Factory Ready Mix Concrete Co. LLC, Doha, Qatar	49%	Manufacture and transportation of ready mix concrete product
Emirates Falcon Electromechanical Co. EFECO LLC, Dubai, UAE	55%	Electrical mechanical and plumbing contracts
Arabtec Engineering LLC, Dubai, UAE	100%	Infrastructure construction works
Arabtec International Company Limited, Mauritius	100%	Civil construction and related works
Arabtec Pakistan (Pvt) Limited (under formation), Pakistan	60%	Civil construction and related works
Target Engineering Construction Company, Abu Dhabi, UAE	60%	Civil construction and related works
Gulf Steel Industries FZC, Sharjah, UAE	55%	Fabrication of steel structures and profiles
AES-WCT Contracting LLC, Dubai, UAE	51%	Infrastructure construction works
Arabtec Saudi Arabia LLC, Saudi Arabia (under formation)	45%	Civil construction and related works

1. Establishment and operations (continued)

Name of associate and domicile	Percentage of beneficial holding	Principal activities
Polypod Middle East LLC, Abu Dhabi, UAE	40%	Assembly of bathroom pods and other types of pods on the same concept.

The investment in House of Equipment Co. LLC is held by one of the shareholders on trust and for the benefit of the Company. The investment in Arabtec Pakistan (Pvt) Limited is held by third parties in trust and for the benefit of the Company.

The Company and its subsidiaries, referred to collectively in this financial information as the "Group" are primarily engaged in the construction of high-rise towers, buildings and residential villas, in addition to the execution of related services such as drainage, electrical and mechanical works, provision of readymix concrete and construction equipment supply and rental.

2. Basis of preparation

The interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard (IAS) No. 34: Interim Financial Reporting. This financial information is presented in United Arab Emirates Dirhams (AED) since that is the currency of the country in which the Group is domiciled.

The interim condensed consolidated financial information incorporates the financial information of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Although the Group owns less than 50% of the equity shares in House of Equipment Co. LLC, Dubai, Arabtec Construction LLC, Doha, Nasser Bin Khaled Factory Readymix Concrete Co. LLC, Doha, and Arabtec Saudi Arabia LLC, Saudi Arabia, the Group has the power to govern the strategic operating and financial decisions of the companies.

The results of subsidiaries acquired or disposed of during the period are included in the interim condensed consolidated statement of income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial information of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

3. Significant accounting policies

The condensed financial information has been prepared under the historical cost basis, except for revaluation of financial instruments. The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended December 31, 2008, except for the impact of the adoption of the accounting policies and standards described below:

Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these interim condensed consolidated financial information using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, investments in associates are carried in the interim condensed consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

IAS 1 (revised 2007) ***Presentation of Financial Statements***
(effective for annual periods beginning on or after January 1, 2009)

The revised Standard has introduced a number of terminology changes (including revised titles for the condensed financial statements) and has resulted in a number of changes in presentation and disclosure. However, the revised Standard has had no impact on the reported results or financial position of the Group.

3. Significant accounting policies (continued)

IFRS 8 *Operating segments*
(effective for annual periods beginning on or after January 1, 2009)

IFRS 8 is a disclosure Standard that has resulted in a redesignation of the Group's reportable segments (see Note 4), but has had no impact on the reported results or financial position of the Group.

The preparation of interim condensed consolidated financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended December 31, 2008.

Profits are recognized on projects in the early stages of completion if it is anticipated that these projects will, by the year end, be at a stage of completion sufficient to warrant profit recognition.

4. Segment information

The Group has four reportable segments: building construction, precast and concrete production, drainage and electromechanical works and marine construction. The building construction segment primarily engages in the construction of high-rise towers, buildings and residential villas. The precast and concrete production segment produces ready mix concrete and precast mainly to serve the building construction segment. The drainage and electrocmechanical segment is involved in the execution of drainage, electrical and mechanical works. The fourth segment is involved in marine construction.

The accounting policies of the operating segments are the same as those applied to the consolidated financial statements as at and for the year ended December 31, 2008. Arabtec Holding PJSC evaluates performance on the basis of profit or loss from operations before tax expense.

Arabtec Holding PJSC accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices.

Arabtec Holding PJSC's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies. Most of the businesses were acquired/formed as individual units, and the management at the time of the acquisition was retained.

4. Segment information (continued)

Information about reportable segment profit or loss, assets and liabilities

June 30, 2009 (Un-audited)	Building construction AED	Precast and concrete production AED	Drainage and electro-mechanical works AED	Marine construction AED	All other AED	Total AED
Revenues from external customers	3,450,254,063	17,523,676	279,119,208	80,383,629	87,886,301	3,915,166,877
Inter-segment revenues	-	213,445,708	204,463,848	-	13,598,793	431,508,349
Interest income	13,900,631	-	-	-	-	13,900,631
Interest expense	25,126,949	73,186	3,954,751	1,816,205	5,291,810	36,262,901
Depreciation	99,524,729	20,071,997	11,237,731	1,911,197	17,372,539	150,118,193
Reportable segment profit before tax	319,108,037	32,834,933	70,303,979	5,191,406	7,288,639	434,726,994
Income tax expense	3,130,124	135,848	150,938	-	-	3,416,910
Reportable segment assets	6,976,733,359	396,998,064	791,038,888	156,742,836	292,404,457	8,613,917,604
Expenditures for reportable segment non-current assets	112,308,995	16,272,326	5,610,730	1,472,052	22,700,986	158,365,089
Reportable segment liabilities	5,565,907,709	167,269,669	614,865,636	149,351,425	184,850,182	6,682,244,621

4. Segment information (continued)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities:

	June 30, 2009 AED (Un-audited)
Revenues	
Total revenues for reportable segments	4,258,788,925
Other revenues	87,886,301
Elimination of intersegment	(431,508,349)
Group's revenues	**3,915,166,877**
Profit	
Total profit for reportable segments	427,438,355
Other profit	7,288,639
Other corporate expenses	(37,921,249)
Income before income tax expense	**396,805,745**
Assets	
Total assets for reportable segments	8,321,513,147
Other assets	292,404,457
Corporate assets	589,522,557
Elimination of inter-segments receivables	(442,278,936)
Group's assets	**8,761,161,225**
Liabilities	
Total liabilities for reportable segments	6,497,394,439
Other liabilities	184,850,182
Corporate liabilities	33,329,779
Elimination of inter-segment payables	(398,041,719)
Elimination of payable to corporate headquarters	(44,237,217)
Group's liabilities	**6,273,295,464**

4. Segment information (continued)

Information about reportable segment profit or loss, assets and liabilities

June 30, 2008 (Un-audited)	Building construction AED	Precast and concrete production AED	Drainage and electro-mechanical works AED	Marine construction AED	All other AED	Total AED
Revenues from external customers	3,512,878,108	86,230,420	247,572,779	177,166,690	137,887,506	4,161,735,503
Inter-segment revenues	-	191,052,794	229,554,312	-	16,972,357	437,579,463
Interest income	20,892,538	26,698	-	-	-	20,919,236
Interest expense	142,521	-	27,055	-	2,893,794	3,063,370
Depreciation	55,377,751	18,662,068	6,104,039	1,658,132	6,969,318	88,771,308
Reportable segment profit before tax	475,029,386	32,951,550	47,086,532	12,486,886	34,831,118	602,385,472
Income tax expense	942,506	103,626	-	-	-	1,046,132
December 31, 2008 (Audited)						
Reportable segment assets	7,822,641,764	405,193,606	600,146,103	65,677,025	354,449,185	9,248,107,683
Expenditures for reportable segment non-current assets	492,545,742	89,236,357	143,494,939	30,271,972	112,113,752	867,662,762
Reportable segment liabilities	6,766,578,518	204,729,661	454,723,999	49,210,001	243,202,423	7,718,444,602

4. Segment information (continued)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities:

	June 30, 2008 AED (Un-audited)
Revenues	
Total revenues for reportable segments	4,461,427,460
Other revenues	137,887,506
Elimination of intersegment revenues	(437,579,463)
Group's revenues	**4,161,735,503**
Profit	
Total profit for reportable segments	567,554,354
Other profit	34,831,118
Other corporate expenses	(34,380,178)
Income before income tax expense	**568,005,294**

	December 31, 2008 AED (Audited)
Assets	
Total assets for reportable segments	8,893,658,498
Other assets	354,449,185
Corporate assets	617,025,193
Elimination inter-segments receivables	(405,473,288)
Group's assets	**9,459,659,588**
Liabilities	
Total liabilities for reportable segments	7,475,242,179
Other liabilities	243,202,423
Corporate liabilities	28,746,006
Elimination of inter-segment payables	(356,238,467)
Elimination of payable to corporate headquarters	(49,234,820)
Group's liabilities	**7,341,717,321**

4. Segment information (continued)

Geographical information

	June 30, 2009		June 30, 2008	
	Revenues	Non-current assets	Revenues	Non-current assets
	AED	AED	AED	AED
GCC Countries	**3,884,646,297**	**1,360,890,661**	4,161,089,088	1,055,326,640
Pakistan	**488,920**	**876,240**	629,842	663,571
Levant	**30,031,660**	**9,077,743**	16,573	-

a) Revenues are attributed to countries on the basis of the construction projects' location.
b) Non-current assets exclude financial instruments and corporate assets.

Information about major customers

Revenues from 4 customers of the building construction segment represent approximately AED 1.2 million (June 30, 2008: 2.1 million) of the Group's total revenues.

5. Results for the period

The results for the six months ended June 30, 2009 reflect the results of the Group's continuing projects and new projects commenced during the period and are not significantly affected by any seasonal or cyclical operations.

Costs that occur unevenly during the financial year are anticipated or deferred in the interim condensed consolidated financial information only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

Income tax expense arises from the Group's activities in Qatar.

6. Contract dispute

On December 25, 2008, the Arabtec Construction L.L.C. – WCT Engineering Berhad (Dubai Branch) Joint Venture (the "Joint Venture") for the construction of the Nad Al Sheba racecourse in Dubai, in which the Group has a 50% share, received notice from the contract owner, Meydan L.L.C. ("Meydan") purporting to terminate the contract on January 9, 2009 for reasons which management consider did not justify such termination. Subsequently, by way of its notice dated January 10, 2009, the Joint Venture purported to terminate the contract on January 24, 2009 on a number of grounds including failure to pay certified amounts, the Joint Venture's exclusion from the site and Meydan's wrongful calls on the Performance Security and Advance Payment Guarantee.

Notice of the call of the Performance Security amounting to AED 461.3 million (Group's share: AED 230.65 million) and the Advance Payment Guarantee amounting to AED 77.3 million (Group's share: AED 38.6 million) was received by the Joint Venture on December 29, 2008. Management has accrued the amount payable in the consolidated financial statements, and has simultaneously recorded a receivable for the same amount from Meydan, pending resolution of the dispute.

6. Contract dispute (continued)

The following balances relating to the above contract are held in the Group's interim condensed consolidated financial information:

	(Group's 50% share)	
	June 30, 2009	December 31, 2008
	AED (Un-audited)	AED (Audited)
Income statement		
Contract revenue	**65,477,140**	710,242,342
Contract costs	**(65,477,140)**	(710,242,342)
Gross contract margin	**-**	-
Balance sheet		
Assets		
Cash and cash equivalents	**3,047,332**	-
Contract receivables	**57,394**	57,394
Performance security and advance payment guarantee amount receivable	**269,281,837**	269,281,837
Retention receivable - current portion	**45,300,647**	51,762,117
Amounts due from customer for contract work	**242,847,778**	260,763,965
Advances paid to suppliers and subcontractors	**68,792,886**	71,392,152
Property, plant and equipment	**10,800,086**	19,496,820
	640,127,960	672,754,285
Liabilities		
Trade payables	**17,907,131**	12,586,740
Due to related parties	**13,339,681**	-
Performance security and advance payment guarantee amount payable	**269,281,837**	269,281,837
Amounts payable to subcontractors, excluding retentions	**17,435,638**	7,532,206
Provisions for subcontractors and other accruals	**239,178,249**	273,493,378
Retentions payable - current portion	**7,096,137**	5,692,379
Advance received from customer	**75,889,287**	104,167,745
	640,127,960	672,754,285

On January 11, 2009, the Joint Venture served its request for arbitration and has subsequently filed a claim for amounts substantially in excess of the amounts shown as receivable above. Management believes, based on legal opinion they have received, that the prospects of success in the arbitration are good and that no additional provisions for the dispute are required at the statement of financial position date.

6. Contract dispute (continued)

In accordance with the Group's accounting policy relating to contracts where the outcome cannot be estimated reliably, revenue has been recognized only to the extent of contract costs incurred to date, which management considers is not doubtful of recovery and therefore no provision has been made against the amounts due from the customer for contract work. No profit has been taken on the contract to date pending the outcome of the Group's claims and conclusion of the arbitration proceedings. As per the original terms of the contract, approximately AED 179 million - Group's share AED 89.5 million would have been recognised at the date of termination.

7. Related party transactions

a) The Group entered into a variety of transactions with companies and entities that fall within the definition of a related party as contained in International Accounting Standard 24: *Related Party Disclosures*. Related parties comprise the Group's major shareholders, directors and entities related to them, companies and entities under common ownership and/or common management and control, their partners and key management personnel. Management decides on the terms and conditions of the transactions and services received/rendered from/to related parties as well as on other charges.

b) At the consolidated statement of financial position date, due from related parties comprised the following:

	June 30, 2009	December 31, 2008
	AED (Un-audited)	AED (Audited)
Joint ventures		
Amounts due from joint venture partners	**313,444,653**	197,466,913
Other related parties		
Entities with common ownership and management		
Al Waab City W.L.L., Doha, Qatar	**120,933,666**	60,096,543
National Industrial Contracting Company WLL, Qatar	**5,336,124**	2,540,341
Nasser Bin Khaled Al-Thani and Sons Group and its related parties, Qatar	**51,385,126**	10,100,000
Others	**12,804,491**	7,820,207
	190,459,407	80,557,091
	503,904,060	278,024,004

7. Related party transactions (continued)

c) At the consolidated statement of financial position date, due to related parties comprised the following:

	June 30, 2009 AED (Un-audited)	December 31, 2008 AED (Audited)
Joint ventures		
Amounts due to joint venture partners	**202,030,350**	51,654,238
Other related parties		
Entities with common ownership and management		
Nasser Bin Khaled Al-Thani and Sons Group and its related parties, Qatar	**30,174,329**	34,206,661
WCT Engineering Berhad, Malaysia	**3,492,813**	17,728,264
Target Construct Corporation, Abu Dhabi, U.A.E.	**8,883,841**	12,409,763
Depa Interiors LLC, Dubai, U.A.E.	**11,474,619**	5,668,637
Marintek Gulf, U.A.E.	**1,890,252**	4,565,018
Nouman Fouad Trading, Abu Dhabi, U.A.E.	**6,481,814**	11,635,588
Current account of a director and major shareholder of the parent company		
Mr. Riad Kamal	**33,595,621**	24,709,819
Current accounts of shareholders in subsidiaries		
Other shareholders	**20,461,060**	2,586,213
Others	**82,360**	7,799,229
	116,536,709	121,309,192
	318,567,059	172,963,430

7. Related party transactions (continued)

d) The nature of significant related party transactions and the amounts involved were as follows:

	Half year ended June 30,		Quarter ended June 30,	
	2009	2008	**2009**	2008
	(Un-audited)	(Un-audited)	**(Un-audited)**	(Un-audited)
	AED	AED	**AED**	AED
Joint ventures				
Manpower and other charges to joint ventures	**70,267,638**	109,817,024	**45,394,176**	77,869,332
Other related parties				
Contract and other revenue	**460,909,036**	203,857,014	**259,925,390**	188,273,596
Sub-contracting costs	**27,828,671**	124,449,104	**3,158,127**	98,908,087
Wages and salaries	**3,034,102**	684,147	**2,713,145**	468,531
Interest received on loans	**80,152**	108,196	**40,297**	20,752
Rent income	**1,957,453**	2,580,472	**1,742,953**	315,787
Miscellaneous charges	**-**	982,220	**-**	982,220
Purchase of property, plant and equipment	**7,136,875**	5,449,200	**405,711**	5,449,200
Sale of property, plant and equipment	**249,308**	-	**68,930**	-
Assets purchased/hired	**2,090,007**	2,260,345	**-**	2,260,345
Fair value (decrease)/increase arising on investments held in trust by a director/ shareholder	**(2,571,311)**	-	**1,728,078**	-

e) The Group has provided a loan (included in other financial assets - non-current) of AED 2,578,867 (December 31, 2008: AED 2,498,715) to a non-controlling shareholder in House of Equipment Co. LLC. Interest on the loan is charged at 7% per annum.

f) The remuneration of directors and other members of key management during the period were as follows:

	Half year ended June 30,		Quarter ended June 30,	
	2009	2008	**2009**	2008
	(Un-audited)	(Un-audited)	**(Un-audited)**	(Un-audited)
	AED	AED	**AED**	AED
Management fees to directors	**900,000**	900,000	**450,000**	450,000
Short term benefits	**37,378,093**	43,100,231	**21,474,863**	22,872,669
End of service indemnity	**367,602**	170,751	**188,849**	135,397

The remuneration of directors and key executives is determined by the Board of Directors having regard to individual performance and market trends.

7. Related party transactions (continued)

g) Amounts due from key management personnel included in other current assets:

	June 30, 2009 AED (Un-audited)	December 31, 2008 AED (Audited)
Balance at beginning of the period/year	**684,071**	5,236,698
Repayments during the period/year	**(274,000)**	(4,601,783)
Interest charged during the period/year	**5,245**	49,156
Balance at end of the period/year	**415,316**	684,071

h) Amounts due to key management personnel included in trade and other payables:

	June 30, 2009 AED (Un-audited)	December 31, 2008 AED (Audited)
Accrued during the period/year	**1,300,000**	2,000,000

i) Included in trade and other payables is an amount of AED 20,159,688 (December 31, 2008: AED 12,164,984) representing contributions from employees and directors towards a staff welfare scheme. Assets of the scheme are included in the consolidated statement of financial position under cash and cash equivalents AED 11,406,727 (December 31, 2008: AED 3,704,484) and other current assets AED 8,752,961 (December 31, 2008: AED 8,460,500).

8. Joint ventures

The Group had the following significant interests in joint ventures (JV):

	Share in JV
a) Abu Dhabi Investment Authority Head Quarter joint venture project	40%
b) Six Construct/Arabtec joint venture projects	50%
c) Samsung/Six Construct/Arabtec joint venture project	30%
d) Arabtec/Max Bogl joint venture projects	50%
e) Arabtec/Mace joint venture project	50%
f) Arabtec/Aktor joint venture projects	50%/60%
g) Arabtec/Emirates Sunland joint venture projects	50%
h) Arabtec/WCT Engineering joint venture projects	50%
i) Arabtec/Engineering Enterprises Company joint venture projects	50%
j) Arabtec/AMN Holdings joint venture project	60%
k) Arabtec/Dubai Contracting Company joint venture project	50%
l) Target Engineering and Construction Company LLC/Marintek Middle East and Asia FZE joint venture project	65%
m) Arabtec Engineering Services/WCT Engineering joint venture project	50%
n) Arabian Construction Company/Arabtec joint venture project	50%

The Group is entitled to a proportionate share of the joint ventures' assets and revenues and bears a proportionate share of the liabilities and outgoings.

The following amounts are included in the Group's interim condensed consolidated statement of financial information as a result of the proportionate consolidation of the joint ventures:

	June 30, 2009	December 31, 2008
	AED (Un-audited)	AED (Audited)
Current assets	**1,500,328,571**	1,529,581,014
Non-current assets	**87,635,695**	138,863,715
Current liabilities	**1,314,238,798**	1,475,593,870
Non-current liabilities	**48,188,771**	32,514,769
Commitments	**623,470**	623,470
Contingent liabilities	**824,664,666**	604,071,321

	Half year ended June 30,		**Quarter ended June 30,**	
	2009	2008	**2009**	2008
	(Un-audited) AED	(Un-audited) AED	**(Un-audited) AED**	(Un-audited) AED
Revenue	**537,894,371**	987,408,364	**350,182,960**	575,539,456
Expenses	**536,726,370**	916,062,404	**337,146,067**	537,162,767

9. Intangible assets

During the period, amortization of intangible assets was approximately AED 23.8 million. There were no business combinations and hence no additions to intangible assets.

10. Property, plant and equipment

During the period, the Group purchased approximately AED 158.37 million (during the same period in 2008: AED 406.11 million) of various types of property, plant and equipment and disposed of property, plant and equipment with a net book value of AED15.8 million (during the same period in 2008: AED 14.6 million) for proceeds of AED 17.2 million (during the same period in 2008: AED 16.1 million).

11. Bank borrowings

During the period, the Group obtained new short-term bank loans in the amount of AED 437.7 million (during the same period in 2008: AED 260 million). The loans bear interest at variable market rates and are repayable within 1 year. The proceeds were used to meet short-term expenditure needs. Repayments of other bank loans amounting to AED 567.8 million (during the same period in 2008: AED 30.8 million) were made in line with previously disclosed repayment terms.

12. Income tax charge

Interim period income tax is accrued based on the estimated average annual effective income tax rate of 17.07% (6 months ended June 30, 2008: 17.07%).

13. Operating lease

The Group as lessee:

	Half year ended June 30,		**Quarter ended June 30,**	
	2009	2008	**2009**	2008
	(Un-audited)	(Un-audited)	**(Un-audited)**	(Un-audited)
	AED	AED	**AED**	AED
Minimum lease payments under operating leases recognized as expense for the period	**25,326,686**	25,241,920	**7,861,120**	13,866,627

13. Operating lease (continued)

At the consolidated statement of financial position date, the Group had outstanding commitments under cancelable operating leases, which fall due as follows:

	June 30, 2009 AED (Un-audited)	December 31, 2008 AED (Audited)
Within one year	**31,444,483**	60,518,371
In the second to fifth years inclusive	**18,570,582**	36,287,459
Later than five years	**750,000**	932,880
	50,765,065	97,738,710

Operating lease payments represent rentals payable by the Group for land, certain labour camps and vehicles.

14. Commitments and contingencies

	June 30, 2009 AED (Un-audited)	December 31, 2008 AED (Audited)
Commitments		
Commitments for the acquisition of property, plant and equipment	**81,751,098**	169,698,003
Contingent liabilities		
Performance and bid bonds	**3,060,371,429**	3,252,296,965
Advance payment bonds	**1,401,831,078**	2,083,375,960
Financial guarantees	**55,707,225**	125,616,423
Retention bonds	**461,674,925**	455,780,982
Labour guarantees	**25,802,760**	31,261,919
Letters of credit	**151,039,915**	286,512,792

15. Share capital

Share capital as at June 30, 2009 amounted to AED 1.196 billion (June 30, 2008: AED 598 million). There were no movements in the share capital of the Company in either the current or the prior interim reporting period.

16. Dividend declaration

No dividends were proposed by the directors for the year ended December 31, 2008.

Based on the results for the year ended December 31, 2007, the directors proposed a cash dividend of 50% of share capital or AED 299 million, for which approval has been received at the Annual General Meeting of the shareholders held on March 24, 2008.

17. Acquisition of subsidiary

On January 3, 2008, the Group acquired 55% of the issued share capital of Gulf Steel Industries FZC for cash consideration of AED 27.5 million. This transaction has been accounted for by the purchase method of accounting in accordance with IFRS 3: Business Combinations.

The net assets acquired in the transaction, and the goodwill arising, are as follows:

	AED
Net assets acquired at fair value:	
Property, plant and equipment	**6,783,315**
Inventories	**4,526,481**
Trade and other receivables	**8,476,334**
Bank and cash balances	**11,279,810**
Provision for employees' end of service indemnity	**(177,915)**
Trade and other payables	**(15,133,604)**
Due to related parties	**(4,403,302)**
Bank borrowings	**(971,507)**
	10,379,612
Less: Non-controlling interests	**(4,670,825)**
Intangible asset	**4,460,172**
Goodwill	**17,331,041**
Total consideration, satisfied by cash	**27,500,000**
Net cash outflow arising on acquisition:	
Cash consideration paid	**27,500,000**
Cash and cash equivalents acquired	**(11,279,810)**
	16,220,190

17. Acquisition of subsidiary (continued)

In applying the purchase method of accounting to the acquisition of Gulf Steel Industries FZC, management, assisted by Messrs. Moore Stephens, Dubai, prepared a purchase price allocation report for determining the value of intangible assets based on the requirements of IFRS 3 – *Business Combinations* and IAS 38 – *Intangible Assets* and made the following determinations and assumptions

- the fair values of tangible assets and monetary financial assets and liabilities at the acquisition date approximate their carrying value in the financial statements of Gulf Steel FZC.
- the fair value of the lease agreement for a plot of land was identified based on the significant savings compared to the average market rental rates charged in the surrounding areas.

The goodwill arising on the acquisition of Gulf Steel Industries FZC is attributable to the anticipated future profitability of the company's products and services and the anticipated future operating synergies from the combination with the Group.

Gulf Steel Industries FZC contributed AED 2.8 million to Group's profit for the period between the date of acquisition and the consolidated statement of financial position as at June 30, 2008.